# IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

MLEA, INC., as successor in interest to

Plaintiff,

CIVIL ACTION

Engineered Gas Systems, LLP and Main Line Engineering Associates,

mg / tosociates,

NO.

v.

ATLANTIC RECYCLED RUBBER INC.

and

RECOVERY TECHNOLOGIES GROUP INC.

and

CASELLA WASTE SYSTEMS, INC.,

Defendants.

JURY TRIAL DEMANDED

## COMPLAINT

#### Nature of the Action

1. Plaintiff, MLEA, Inc., brings this diversity action against Defendants, Atlantic Recycled Rubber Inc., Recovery Technologies Group Inc. and Casella Waste Systems, Inc., to recover money damages and for such other relief as may be appropriate for Defendants' breach of their agreements with Plaintiff.

#### The Parties

2. Plaintiff, MLEA, Inc., is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal place of business in Exton, Pennsylvania. MLEA, Inc. was incorporated on January 1, 2002. Before that time, MLEA, Inc. did business as Main Line Engineering Associates, a Pennsylvania partnership, and Engineered Gas Systems, a Pennsylvania Limited Liability partnership, with both partnerships having their

principal places of business at all relevant times in Malvern and/or Exton, Pennsylvania. As of January 1, 2002, Main Line Engineering Associates and Engineered Gas Systems became divisions of MLEA, Inc., and MLEA, Inc. succeeded to their interests.

- 3. Defendant, Atlantic Recycled Rubber Inc. ("Atlantic"), is a corporation organized and existing under the laws of Nova Scotia, Canada, with its principal place of business at 119 Mingo Road, Truro, Nova Scotia B2N 5B1. Atlantic is a wholly-owned subsidiary of Recovery Technologies Group Inc.
- 4. Defendant, Recovery Technologies Group Inc. ("Recovery Technologies"), is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 7000 Boulevard East, Guttenberg, New Jersey 07093. On information and belief, Recovery Technologies was a wholly-owned subsidiary of defendant Casella Waste Systems, Inc. ("Casella") until approximately mid-2001, when Casella sold a portion of Recovery Technologies' assets with Casella thereafter retaining a partial ownership interest either directly or through a subsidiary.
- 5. On information and belief, at all times relevant hereto, Recovery Technologies acted directly on its own behalf or by and through the acts and/or omissions of its wholly-owned subsidiary, Atlantic. On information and belief, at all times relevant hereto, Recovery Technologies controlled and/or directed the acts and/or omissions of its wholly-owned subsidiary, Atlantic.
- 6. Defendant, Casella Waste Systems, Inc., is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 25 Greens Hill Lane, Rutland, Vermont 05701. On information and belief, at all times relevant hereto, Defendants Atlantic and Recovery Technologies were acting on behalf of Casella.

- 7. Jurisdiction is proper under 28 U.S.C. § 1332(a)(1), and (2), because the parties are corporate citizens of either different states or of a state and a foreign state, and the matter in controversy exceeds \$75,000, exclusive of interest and costs.
  - 8. Venue is proper under 28 U.S.C. § 1391(a)(2).

#### **Facts**

- 9. Plaintiff is a professional engineering company providing a range of engineering, design and drafting services to commercial, institutional, governmental and professional clients.
- 10. Defendants are owners and/or operators of a tire recycling facility located in Truro, Nova Scotia, Canada ("the Truro Facility").
- 11. On September 13, 2000, Recovery Technologies, then a division of KTI Recycling of Canada, Inc., issued a letter of intent to Messer Advanced Gas Systems, located in Malvern, Pennsylvania, pursuant to which Messer would design, build and install a turnkey liquid nitrogen plant for Defendants' Truro Facility. On information and belief, at the time that Recovery Technologies issued the letter of intent, KTI Recycling of Canada, Inc. was a whollyowned subsidiary of Casella Waste Systems, Inc.
- 12. The Recovery Technologies letter of intent was in response to a September 13, 2000 offer by Messer to Recovery Technologies to design, build and install a turnkey liquid nitrogen plant at Defendants' Truro Facility for \$4,917,000 (Canadian dollars).
- 13. In or about December 2000, Messer represented to Plaintiff that Messer had negotiated an agreement with Atlantic and/or Recovery Technologies, whereby Messer would design, build and install a turnkey liquid nitrogen plant for the Truro Facility.

- 14. Thereafter, also in or about December 2000, Atlantic issued three purchase orders to Messer for certain equipment to be purchased by Defendants from Messer and installed at the Truro Facility in an amount totaling approximately \$453,000 (US dollars).
- 15. On or about January 15, 2001, Messer assigned to the Plaintiff Messer's Truro Facility agreement with Defendants, including the three purchase orders Atlantic issued as referenced above.
- 16. On or about January 19, 2001, Defendants expressly approved the assignment of Messer's Truro Facility agreement from Messer to the Plaintiff.
- 17. On or about January 18, 2001, Atlantic had directed Messer to deliver as soon as possible certain of the equipment covered by the aforementioned purchase orders to the Truro Facility.
- Defendant's requirements to deliver equipment as soon as possible, Plaintiff undertook engineering design efforts and created plans, including foundation plans, and equipment specifications for the Truro Facility. Plaintiff's engineering design efforts and those plans and specifications have a value of approximately \$250,000. Based upon Defendants' expressed and implied representations, Plaintiffs delivered the foregoing plans and specifications to the Defendants on or about September 10, 2001. Defendants have failed and refused to pay Plaintiff for the plans and specifications Plaintiff created for Defendants' Truro facility.
- 19. Based upon Defendants' expressed and implied representations, Plaintiff ordered numerous pieces of equipment from third party vendors for ultimate installation in the Defendants' Truro Facility, equipment totaling approximately \$1,651,188.75. Defendants have

failed and refused to pay Plaintiff in part or in full for the equipment that Plaintiff ordered from third party vendors for Defendants' Truro Facility.

#### **COUNT I**

## (Breach of Contract)

- 20. Plaintiff incorporates herein by reference the allegations of paragraphs 1 through 19 of this Complaint.
- 21. The express and implied representations and the conduct of the parties created an agreement, whereby Plaintiff would (a) order equipment for Defendants' Truro Facility and (b) create plans and specifications for Defendants' Truro Facility, and Defendants would pay Plaintiff for that equipment and for those plans and specifications.
- 22. Plaintiff has fully performed under the aforementioned agreement, but Defendant has failed to pay Plaintiff in full for the equipment and for the plans and specifications, thereby breaching that agreement.
- As a result of the foregoing breach by Defendants, Plaintiff has suffered 23. damages in excess of seventy-five thousand (\$75,000.00) dollars, exclusive of interest and costs.

WHEREFORE, Plaintiff respectfully demands judgment in its favor awarding Plaintiff direct, incidental and consequential damages, interest, attorneys' fees and costs, and such other and further relief as the Court may deem just and proper.

#### COUNT II

#### (Promissory Estoppel)

- Plaintiff incorporates herein by reference the allegations of paragraphs 1 24. through 19 of this Complaint.
- 25. Defendants' express and implied representations and conduct constituted promises to pay Plaintiff for (a) the equipment ordered by Plaintiff for the Defendants' Truro

Facility, and (b) the engineering services rendered by Plaintiff to Defendants that resulted in Plaintiff's creation of the plans and specifications that Plaintiff delivered to Defendants.

- 26. Defendants knew, or reasonably should have known, that their representations and conduct would induce Plaintiff to (a) order equipment from third party vendors for the Defendants' Truro Facility and (b) create plans and specifications for Defendants' Truro Facility.
- 27. Defendants knew, or reasonably should have known, that Plaintiff would rely on the foregoing representations by Defendants by (a) ordering equipment from third party vendors for the Defendants' Truro Facility and (b) creating plans and specifications for the Defendants' Truro Facility.
- 28. Plaintiff justifiably relied upon Defendants' representations by (a) ordering equipment from third party vendors for the Defendants' Truro facility and (b) creating plans and specifications for the Defendants' Truro Facility.
- 29. As a result of the foregoing reliance by Plaintiff, Plaintiff has suffered damages in excess of seventy-five thousand dollars (\$75,000.00), exclusive of interest and costs.
  - 30. Injustice can be avoided only by enforcing the Defendants' promises.

WHEREFORE, Plaintiff respectfully demands judgment in its favor awarding Plaintiff direct, incidental and consequential damages, interest, attorneys' fees and costs, and such other and further relief as the Court may deem just and proper.

#### **COUNT III**

### (Unjust Enrichment)

31. Plaintiff incorporates herein by reference the allegations of paragraphs 1 through 19 of this Complaint.

- 32. Defendants knew, or reasonably should have known, that Plaintiff would order equipment and create plans and specifications for Defendants' Truro Facility.
- 33. By ordering equipment and creating plans and specifications for Defendants' Truro Facility, Plaintiff conferred benefits on the Defendants.
- 34. By accepting delivery of certain equipment and the plans and specification for the Truro Facility, including foundation plans, and by failing to pay Plaintiff therefore, Defendants have been unjustly enriched, thereby making it unconscionable for Defendants to retain those benefits without compensating the Plaintiff.
- 35. As a result of the foregoing acts by the Defendants, Plaintiff has suffered damages in excess of seventy-five thousand dollars (\$75,000.00), exclusive of interest and costs.

WHEREFORE, Plaintiff respectfully demands judgment in its favor awarding Plaintiff direct, incidental and consequential damages, interest, attorneys' fees and costs, and such other and further relief as the Court may deem just and proper.

> Philip J. Katauskas, Esquire Attorney Ident. No. 26762 PEPPER HAMILTON LLP 3000 Two Logan Square 18th & Arch Streets Philadelphia, PA 19103-2799 (215) 981-4314 Attorneys for Plaintiff

Date: July 2, 2002

\$38 44 (Rev. 3.99)

## CIVIL COVER SHEET

APPENDIX B

The JS-44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS MLEA, INC., as Engineered Gas Main Line Engis (b) County of Residence of (EX	Systems, LL neering Asso	P and ciates Chester Co		Recovery Casella County of Reside	: Recycled Rub Technologies Waste Systems	Group, Inc. and A. Inc. and Nova Scotia Canal (SONLY)	
(c) Attorney's (Firm Name Philip J. Kata Pepper Hamilto 3000 Two Logar Philadelphia, II. BASIS OF JURISE	uskas, Esqui on LLP 1 Square, 18 PA 19103 2	ire th & Arch 15-981-431	III. CITI			Place an "X" in One Box for Plaintiff	
☐ I U.S. Government Plaintiff	· · · · · · · · · · · · · · · · · · ·			(For Diversity Cases Only)  OFF  Citizen of This State  DEF  Incorporated or Principal Place  4 4 4 of Business In This State			
2 U.S. Government Defendant	in Item III)	(Indicate Citizenship of Parties in Item III)		Citizen of Another State 2 2 Incorporated and Principal Place 5 5 of Business In Another State  Citizen or Subject of a 3 X 3 Foreign Nation 6 6 6 Foreign Country			
IV. NATURE OF SUIT		RTS	FORFE	ITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
116 Insurance   120 Marine   130 Marine   130 Marine   140 Negotiable Instrument   150 Recovery of Overpayment & Enforcement of 152 Recovery of Defaulted Student Loans (Excl. Veternas)   153 Recovery of Overpayment of Veteran's Benefits   160 Stockholders' Suits   160 Other Contract   195 Contract Product Liability   REAL PROPERTY   210 Land Condemnation   220 Force losure   230 Rent Lesse & Ejectment	PERSONAL INJURY  310 Airplane 315 Airplane Product Liability 320 Assault Libel & Stander 320 Federal Employers' Liability 340 Marine 345 Marine Product Liability 350 M otor Vehicle 970 Muct Liability 360 Other Personal Injury CIVIL RIGHTS  441 Voting 442 Employment 443 Housing/	PERSONAL INJU  362 Personal lajury- Med. Malpraeri  365 Personal fnjury- Product Liability  BAS Ashestos Person Injury Preduct Liability  PERSONAL PROPE  370 Other Fraud  371 Trath in Lending  380 Other Personal  Property Dainay  Product Liability  PRISONER PETIT  510 Motions to Vaca Sentence Habeas Corpos:		Agriculture Other Food & Drug Orug Related S eizure of Properly 21 USC Liquer Laws R.R. & Trock Airline Regs. Occupational Safety/Health Other  LABOR Fun Labor Sundards Act Labor Migmt, Relations Labor-Migmt, Reporting & Disclosure Act Railway Labor Act	R64 SSID Title NVI   865 RS1 (405(g))   FEDERAL TAXSUITS	400 State Reap portionment   410 Antimust   430 Banks and Banking   450 Commerce (CC Rates/etc.   460 Depertation   470 Racks/tecr Influenced and Certupt Organizations   810 Selective Service   850 Securites/Commodities/Exchange   875 Customer C hallenge   12 USC 3410   891 Agricultural Acts   892 Economic Stabilization Act   893 Economic Stabilization Act   894 Economic Stabilization Act   895 Economic Stabilization   895 Economic Stabilization	
240 Torts to Land Accommod 245 Tort 2 roduct Liability 444 W efface	Accommod ations	530 General 535 Death Penalty	ther 🔲 791	Other Labor Litigation Empl. Ret. Inc. Security Act	□ 870 Taxes (U.S. Plantiff or Defendant) □ 871 IRSThird Party 26 USC 7609	Justice  950 Constitutionality of State Stateses  890 Other Statutory Actions	
V. ORIGIN  SX 1 Original	tate Court .	Remanded from Appellate Court	□ <sup>4</sup> Reinsta Reoper	anothing or 5 (specified	ferred from or district fy)		
VI. CAUSE OF ACTI This is a cont to defendants. VII. REQUESTED IN COMPLAINT: VIII. RELATED CAS IF ANY	Do not cite jorisd ictor  ract suit for  Jurisdict  CHECK IF THI  UNDER F.R.C.  (See	ions diver	sional sity,	services	332 (a)(1) and CHECK YES only	if demanded in complaint:	
FOR OFFICE USE ONLY  RECEIPT #	AMOUN	SIGNATURE OF A	TTORNEY OF	RECORÐ JUDGE	MAG. JU:	DGE	

#### IN THE UNITED STATES DISTRICT COURT APPENDIX C FOR THE EASTERN DISTRICT OF PENNSYLVANIA

#### CASE MANAGEMENT TRACK DESIGNATION FORM

MLEA, Inc. as successor in interest to	CIVII ACTION
Engineered Gas Systems, LLP and	CIVIL ACTION
Main Line Engineering Associates	
v. :	
Atlantic Recycled Rubber, Inc.,	
Recovery Technologies Group, Inc. and	NO.
Casella Waste Systems, Inc.	

In accordance with the Civil Justice Expense and Delay Reduction Plan of this court, counsel for plaintiff shall complete a case Management Track Designation Form in all civil cases at the time of filing the complaint and serve a copy on all defendants. (See § 1:03 of the plan set forth on the reverse side of this form.) In the event that a defendant does not agree with the plaintiff regarding said designation, that defendant shall, with its first appearance, submit to the clerk of court and serve on the plaintiff and all other parties, a case management track designation form specifying the track to which that defendant believes the case should be assigned.

### SELECT ONE OF T

THE FO	DLLOWING CASE MANAGEMENT TRACKS:	
(a)	Habeas Corpus Cases brought under 28 U.S.C. §2241 through §2255.	( )
(b)	Social Security Cases requesting review of a decision of the Secretary of Health and Human Services denying plaintiff Social Security Benefits.	( )
(c)	Arbitration Cases required to be designated for arbitration under Local Civil Rule 53.2.	( )
(d)	Asbestos Cases involving claims for personal injury or property damage from exposure to asbestos.	( )
(e)	Special Management Cases that do not fall into tracks (a) through (d) that are commonly referred to as complex and that need special or intense management by the court. (See reverse side of this form for a detailed explanation of special management cases.)	( )
(f)	Standard Management Cases that do not fall into any one of the other tracks.	( <b>x</b> )
	Philip J. Katauskas, Esq. XXXXX	
	Attornoy at law	

July 2, 2002 Date

Attorney for

Plaintiff

## **UNITED STATES DISTRICT COURT**

APPENDIX A

FOR THE EASTERN DISTRICT OF PENNSYLVANIA — DESIGNATION FORM to be used by counsel to indicate the category of the case for the purpose of assignment to appropriate calendar.

Address of Plaintiff: MLEA, Inc., 211 Welsh Pool Ro	d., Suite 120, Exton, PA
Casella Waste Systems, Inc., 25 G	nc., 119 Mingo Rd., Truro, Nova Scot Inc., 7000 Blvd. East, Guttenberg, reens Hill Lane, Rutland, VT 05701
	e Reverse Side For Additional Space)
Malvern and Exton, Penns	yes□ No <b>Z</b>
Does this case involve multidistrict litigation possibilities?  RELATED CASE, IF ANY:	Yes O NOE
Case Number: Judge	Date Terminated:
Civil cases are deemed related when yes is answered to any of the following que	estions:
1. Is this case related to property included in an earlier numbered suit pending of	or within one year previously terminated action in this court? Yes□ No🏞
Does this case involve the same issue of fact or grow out of the same transaction in this court?	ction as a prior suit pending or within one year previously terminated
accon intino court:	Yes□ No <b>X</b>
Does this case involve the validity or infringement of a patent already in suit or	or any earlier numbered case pending or within one year previously
terminated action in this court?	Yes□ No□X
	Yes L. Notas
CIVIL: (Place ✓ in ONE CATEGORY ONLY)	
A. Federal Question Cases:	B. Diversity Jurisdiction Cases:
1. D Indemnity Contract, Marine Contract, and All Other Contracts	<ol> <li>Insurance Contract and Other Contracts</li> </ol>
2.   FELA	2. Airplane Personal Injury
3.	3. Assault, Defamation
4. Antitrust	4. Marine Personal Injury
5. Patent	5.  Motor Vehicle Personal Injury
6. Dabor-Management Relations	6. Other Personal Injury (Please specify)
7. Civil Rights	7. D Products Liability
8.  Habeas Corpus	8. Products Liability — Asbestos
9.  Securities Act(s) Cases	9. All other Diversity Cases
10. Social Security Review Cases	(Please specify)
11.  All other Federal Question Cases	
(Please specify)  ARBITRATION CEF  (Check appropriate	
Philip J. Katauskas counsel of record of	
	/ knowledge and belief, the damages recoverable in this civil action case
Relief other than monetary damages is sought:	
DATE: July 2, 2002 Market	(afairh) 26762
NOTE: A trial de novo will be a trial by jury only if t	t-Law Attorney I.D.# there has been compliance with F.R.C.P. 38.
I certifythat, to myknowledge, the within case is not related to any case now except as noted above.	for the second second
DATE: 1/2/2002 Mules /	-Law 26762 -Law Attorney I.D.#
Axtorney-at	-Law Attorney I.D.#

## UNITED STATES DISTRICT COURT

APPENDIX A

FOR THE EASTERN DISTRICT OF PENNSYLVANIA — DESIGNATION FORM purpose of assignment to appropriate calendar.	to be used by counsel to indicate the category of the case for the		
Address of Plaintiff: MLEA, Inc. 211 Welsh Pool Ro	ad., Suite 120, Eston, PA		
Atlantic Recycled Rubber, Inc.	119 Mingo Rd., Truro, Novia Scoti		
Address of Defendant: Recovery Technologies Group Casella Waste Systems, Inc., 25 Greens Place of Accident, Incident or Transaction:	Hill Lane, Rutland, VT 05701		
(Use	Reverse Side For Additional Space)		
Malvern adn Exton, Pennsylvania	Yes No 🔀		
Does this case involve multidistrict Rigation possibilities?  RELATED CASE, IF ANY:	165 140		
Case Number: Judge	Date Terminated:		
Civil cases are deemed related when yes is answered to any of the following que	estions:		
1. Is this case related to property included in an earlier numbered suit pending of	or within one year previously terminated action in this court? Yes□ No□		
2. Does this case involve the same issue of fact or grow out of the same transactions.	ction as a prior suit pending or within one year previously terminated		
action in this court?	Yes□ No[X		
3. Does this case involve the validity or infringement of a patent already in suit of terminated action in this court?	or any earlier numbered case pending or within one year previously		
	Yes□ No□X		
CIVIL: (Place  ✓ in ONE CATEGORY ONLY)			
A. Federal Question Cases:	B. Diversity Jurisdiction Cases:		
Indemnity Contract, Marine Contract, and All Other Contracts	1. 🔯 Insurance Contract and Other Contracts		
2.  FELA	2. Airplane Personal Injury		
3.  Jones Act-Personal Injury	3. Assault, Defamation		
4. Antitrust	4.  Marine Personal Injury		
5. Patent	5. Motor Vehicle Personal Injury		
6. Labor-Management Relations	6. Cher Personal Injury (Please specify)		
7. Civil Rights	7. Products Liability		
8. Habeas Corpus	8. Products Liability — Asbestos		
9. Securities Act(s) Cases	9. All other Diversity Cases		
10. Social Security Review Cases	(Please specify)		
11. All other Federal Question Cases			
(Please specify)  ARBITRATION CE  (Check appropriate			
Philip J. Katauskas counsel of record	do hereby certify: y knowledge and belief, the damages recoverable in this civil action case		
exceed the sum of \$150,000.00 exclusive of interest and costs;			
Relief other than monetary damages is sought.	) 4 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -		
DATE: July 2, 2002	A Bateur C 26762		
NOTE: A trial de novo will be a trial by jury only if			
I certify that, to myknowledge, the within case is not related to any case now	pending of within one year previously terminated action in this court		
except as noted above.	//Cotarst/ 26762		
DATE: July 2, 2002  Attorney			